

# **EXHIBIT 12**

**From:** Keith Millar [dollarsphere@onetel.com]  
**Sent:** 18 February 2005 00:19  
**To:** yanglucy  
**Subject:** Re: Trading in London.

Dear Lucy,

Please refer below to see our answers to your questions. I must stress that this is a real "front door" transaction where you will meet a director of the trade group and the bank trader. The initial meeting is in a prestigious London law firm, and then you will walk across the road with the trader to open the account in the branch of HSBC that is doing the trading, only after you have agreed and signed, the contracts. If you are not entirely happy with what is offered, you can decline to sign the contract. This is a golden opportunity to place your funds with people who are at the highest level of the bank trading business, but they will not twist your arm - if you do not wish to proceed, you will be free to walk away without any penalty.

Initially, with your \$30M you will enter into a "narrow margin" trade which is trading A+ up to AAA grade bank paper - your funds will be leveraged x 4 so you will make typically 4 pts per trade. You will start at two trades per week and accelerate rapidly up towards a larger number. If you allow your profits to compound weekly you will quickly get up to \$100M - then we will move you across into a "wide margin" trade with our parent trust that trades 7.5 10s. This is when you will be able to support the three humanitarian projects that you have submitted: the usual split of trading profits is 90% for projects, and 10% for "lifestyle" (i.e. personal) use.

In fact if you wish we can place your further \$300M into the wide margin trade with the trust straight away, to run in parallel with the \$30M.

I trust this preface, and the comments below in answer to your questions, will provide you with the information that you require, but if you have further questions, please do not hesitate to contact me,

Yours Sincerely,  
Keith Millar.

February 15, 2005

Dear Mr. Keith Millar

First of all, I would like to express my sincere thanks for your effort to date in making the arrangement for Mr. So and my USD \$30 Million investment.

Before I speak to Mr. So to get his concurrence on the transferring the investment funds from Hong Kong to London, UK, as you suggested, I would like to ask for your assistance in getting advice on the followings from the trader in order for me to provide Mr. So some basic understanding on this new arrangement for the investment program.

1. Re: Opening a new bank account in HSBC, London, UK

- Could the Trader make arrangement with HSBC, London to open a joint account for us (Mr. So and myself) without his coming to London personally if Mr. So would submit all necessary documents including signatories through the HSBC Branch in Hong Kong for Mr. So respectively?
- How soon can the new account be opened.

The account would be a non-depletion account in your name in the HSBC Securities House, which falls under the control of HSBC Bank. This is arranged as a sub-account of the trader's master trading account. So far we have opened accounts in only one name - that of the authorised account signatory. Perhaps this is something which you, as his partner, can agree with Mr. So? Meanwhile, I will make enquiries as to whether it is possible to have Mr. So as a second account signatory in absentia. My own feeling is that this will not be possible, although the name on the account could be "Ms. Lucy Lu Yang & Mr. Kevin So". The account would be opened immediately for you in the bank whilst you are with the trader. You will need your Passport, two Utility Bills (as proof of your address) and a current Bank Statement of Account.

2. Re: Transferring funds from Hong Kong to London, UK

- As at present the funds in HSBC, Hong Kong are in a term deposit, could the funds

be remained in the same term deposit and transferred over to HSBC, London, UK when the new account in London is established?

The type of account opened for you is not a time deposit. After signing the trading contract, and opening the new non-depletion account in the HSBC Securities House, you would issue instructions to HSBC, HK, to transfer your money to this account in London. You will be given assistance with this. This securities house account is held within HSBC Bank.

3. Re: Investment Program for USD \$30 Million

- Once the funds are transferred to HSBC, London, would the trader guarantee that we will be successfully participated in the investment program?

Yes.

- How soon can the trading contract be signed after funds are transferred over to London?

The Trading Contract is signed before transfer your funds - part of the contract is that you will transfer your funds asap.

- How soon can the investment program be commenced after the trading contract is signed?

Trading will commence asap after the funds are transferred, usually within two banking days.

- What is the approximate rate of return per week, and how long (in weeks) is required for the total net proceeds to reach USD \$100 M?

As explained above, you will start with two trades per week (8%) to initialise your trading account, and will increase rapidly from that point onwards. How quickly you reach \$100M will depend on how much money you take out: if you allow the profits to accumulate and compound you will reach \$100m very quickly, within a few weeks.

- Are the total net proceeds must to be used in the next Special Program for the investment funds over USD \$100 M?

Not necessarily, as explained above this is your decision. If you take money out as you go along, it will take longer to reach \$100M and move across to the wide maargin program run by the parent trust.

4. Re: Special Investment Program for funds over USD \$100 M

- How soon can the investment funds be rolled over into the Special Investment Program after the net proceeds reach USD \$100 M?

Very quickly! You will need to sign a further contract. Once this is done, your funds will be moved across to the wide margin program without delay, and you will commence trading immediately.

- What is the rate of weekly return from the Special Investment Program

Very high. We are not allowed to put a figure in this. All I can tell you is that the parent trust is #1 in the business, and that the actual profits they return to a client and his/her project(s) are the highest real returns in this business. Forget all the broker nonsense and non-existent deals - this is the best real deal in the world, which you will realise when you meet the team of people involved.

and what is the approximate total return over 40 week period?

You are not restricted to 40 weeks - as long as your projects require funding, and you obey the rules your trade will be allowed to continue.

I would appreciate for your assistance in obtaining clear answers for questions above from the Trader as soon as possible.

Sincerely,

Lucy Lu Yan

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